

**PATTON BOGGS** LLP  
ATTORNEYS AT LAW

**ORIGINAL**

2550 M Street, NW  
Washington, DC 20037-1350  
202-457-6000

Facsimile 202-457-6315

[www.pattonboggs.com](http://www.pattonboggs.com)

**EX PARTE OR LATE FILED**

August 20, 2012

Monica S. Desai  
Direct Tel: 202-457-7535  
Direct Fax: 202-457-6315  
[mdesai@pattonboggs.com](mailto:mdesai@pattonboggs.com)

**VIA HAND DELIVERY**

**FILED/ACCEPTED**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, DC 20554

**AUG 20 2012**  
Federal Communications Commission  
Office of the Secretary

**Re: For Public Inspection**  
**Adak Eagle Enterprise, LLC - For Public Inspection Version of Notice of Ex Parte in**  
**WC Docket Nos. 10-90, 07-135, 05-337 and 03-109; CC Docket Nos. 01-92 and 96-45;**  
**WT Docket No. 10-208; GN Docket No. 09-51**

Dear Ms. Dortch:

On behalf of Adak Eagle Enterprises, LLC (“AEE”) and in accordance with the Protective Order adopted in the above referenced proceedings, please find enclosed two copies of AEE’s Public Inspection version in redacted form of its Notice of Ex Parte filed in the aforementioned dockets. The [[ ]] symbols in the Public version of the Notice of Ex Parte denote redacted Confidential Information. A Confidential version of the Petition for Waiver is being filed separately with the Secretary’s Office and the Wireline Competition Bureau.

Should you have any questions concerning the foregoing request, please contact the undersigned.

Sincerely,



Monica S. Desai  
Patton Boggs, LLP  
2550 M Street, NW  
Washington, DC 20037  
(202) 457-7535  
*Counsel for Adak Eagle Enterprises, LLC*

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**REDACTED – FOR PUBLIC INSPECTION**

August 20, 2012

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Monica Desai  
202-457-7535  
mdesai@pattonboggs.com

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Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**AUG 20 2012**

Federal Communications Commission  
Office of the Secretary

Re: **Ex Parte Notice and Submission of Supplemental Information**  
**WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-**  
**45, GN Docket No. 09-51, WT Docket No. 10-208.**  
**Petitions for Waiver – Adak Eagle Enterprises and Windy City Cellular**

Dear Ms. Dortch:

This letter is being filed in response to a series of questions asked by Commission staff in the Wireline Competition Bureau (“WCB”) and the Wireless Telecommunications Bureau (“WTB”) seeking additional information related to the Petitions for Waiver filed by Adak Eagle Enterprises, LLC (“AEE”) and Windy City Cellular, LLC (“WCC”).<sup>1</sup> This information was requested during a conference call on August 17, 2012, between Larry Mayes, President and CEO of AEE and WCC, Andilea Weaver, Chief Operations Officer for WCC and AEE, Monica Desai and Benjamin Bartlett of Patton Boggs, LLP, their counsel, and the following Commission staff from the WCB and the WTB: Patrick Halley (Legal Advisor, Office of the WCB Chief); Katie King (Special Counsel, Telecommunications Access Policy Division, WCB); Amy Bender (Deputy Chief, Telecommunications Access Policy Division, WCB); Gary Michaels (Deputy Chief, Auctions and Spectrum Access Division, WTB); Soumitra Das (Telecommunications Analyst, WCB); Susan Miller (Attorney Advisor, WCB); and Mark Rossetti (Senior Financial Analyst, Auctions and Spectrum Access Division, WTB).

AEE and WCC reiterated on the call that they respect and appreciate that it is the responsibility of Commission staff to ensure that Universal Service Funds are being used appropriately. AEE and WCC do not question that staff should be able to ask detailed questions to better understand the requested support and evaluate the costs incurred by AEE and WCC in providing service to Adak Island.

However, AEE and WCC emphasized that as a matter of process, it is unsettling and distressing that the Commission may potentially allow additional USF funding cuts to take effect while it takes time to evaluate the newly requested information. Ms. Weaver and Mr. Mayes emphasized

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<sup>1</sup> See Petition for Waiver of Adak Eagle Enterprises, LLC, WC Docket No. 10-90, *et al.*, filed May 22, 2012; Petition for Waiver of Windy City Cellular, LLC, WC Docket No. 10-90, *et al.*, filed April 3, 2012.



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that they will work hard to respond, as quickly as possible, to the numerous additional questions asked by staff during the discussion. However, these new sets of questions were asked just 11 business days before a final decision was expected, and will require detailed responses to numerous questions going back to 2005. Ms. Weaver explained that as a result of the USF funding cuts that have already taken effect, they have had to terminate approximately one-third of their work force. AEE also terminated a sixth employee for unrelated reasons. Ms. Weaver also noted that August is a particularly intensive month for regulatory filings. They are in the midst of preparing state filings and federal filings that are due later in August and in September, in addition to maintaining the regular operations of the companies.<sup>2</sup>

As stressed in meetings and previous filings, AEE and WCC made tremendous good faith efforts to provide full information to the Commission, and expended substantial time, labor, and financial resources to include in their initial Petitions, which were filed in April and May, all of the detailed information required by Section G of the *USF/ICC Transformation Order*.<sup>3</sup> They also have expended significant additional resources for Mr. Mayes and Ms. Weaver to travel to Washington, D.C. from Alaska twice to meet with Commission staff for the purpose of providing information, answering questions, and explaining the information submitted in support of their Petitions.<sup>4</sup> Furthermore, since filing their Petitions, AEE and WCC have filed additional information, and through their counsel, have regularly contacted Commission staff to check to see if any more additional information might be needed from either company and to volunteer their assistance in answering any questions the staff might have.

As also explained in prior filings, the current cuts in the support to WCC (even with the interim partial relief granted to WCC while the Commission is evaluating a solution for AEE and WCC as a whole) also has already had these additional detrimental impacts: (1) AEE has dropped below the tier classification requirements of its RUS loan covenants – potentially triggering default on its RUS loan; (2) there is no longer any needed backhaul redundancy, which leaves all

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<sup>2</sup> These filings include a USAC Form 499 Report; RUS Form 479 financial reports; state access charge filings (a year-long process beginning in August); cost studies for 2011, due in August and that must include budget forecasts for 2013; FCC Form 502 Reports; FCC Form 477 Reports; and FCC CAF/ICC filings.

<sup>3</sup> See *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, 26 FCC Rcd 17663 (2011).

<sup>4</sup> See Letter from Monica Desai, Counsel, Windy City Cellular, LLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, Notice of Ex Parte, dated April 6, 2012 (memorializing April 4, 2012 meetings with Commission staff); Letter from Monica Desai, Counsel, Windy City Cellular, LLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, Notice of Ex Parte, dated April 9, 2012 (memorializing April 5, 2012 meetings with Commission staff); Letter from Jennifer L. Richter, Counsel, Windy City Cellular, LLC and Adak Eagle Enterprises, LLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, Notice of Ex Parte, dated May 17, 2012 (memorializing May 15, 2012 meetings with Commission staff); Letter from Monica Desai, Counsel, Windy City Cellular, LLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, Notice of Ex Parte, dated May 21, 2012 (memorializing May 17, 2012 meetings with Commission staff).



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WCC customers without service when outages occur due to the extremely challenging weather conditions in Adak; (3) WCC does not have the funds needed to upgrade its facilities to 3G (LTE) service; (4) WCC does not have the funds for software needed to track and bill the roaming minutes on its network; (5) WCC abandoned its plans to construct a Clam Lagoon site, intended to enable greater network redundancy, despite having undergone six months of planning;<sup>5</sup> and (6) the Retail Store on Adak Island can no longer support a full-time employee, and as a result that employee is now only working 20 hours per week and has lost her health benefits.

If the reduction in support to AEE is allowed to take effect pursuant to the *USF/ICC Transformation Order*, both companies will be severely impacted. To avoid further detrimental impact, and to avoid a default on AEE's RUS loan, AEE emphasizes its need for interim relief while FCC staff completes its evaluation of this newly requested information. AEE's 2012 financial statements, submitted to the Rural Utilities Service ("RUS") and attached hereto at Attachment 1, reflect that WCC, AEE's wireless affiliate, is already operating at a loss, even with the interim relief provided to WCC by the Commission.<sup>6</sup> When WCC's costs and revenues are separated out, the financial statements illustrate that, without interim relief, AEE will also begin operating at a loss on September 1. AEE will be forced to shut down by December 31, 2012.

AEE and WCC continue to stand ready to provide any additional information that Commission staff may request. However, AEE respectfully requests interim relief in the form of a stay of the implementation of Section 54.302 of the Commission's rules while the Bureaus continue their review process.

In response to specific questions from Commission staff, AEE and WCC provide the following supplemental information.

#### **1. Financial statements for 2012.**

Copies of the AEE 2012 financial statements are provided at Attachment 1. As explained above, the financial statements reflect that WCC, AEE's wireless affiliate, is already operating at a loss, even with the interim relief provided to WCC by the Commission. When WCC's costs and revenues are separated out, the statements demonstrate that, without interim relief, AEE will begin operating at a loss on September 1. AEE will be forced to shut down by December 31, 2012.

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<sup>5</sup> See Letter from Monica S. Desai, Counsel, Windy City Cellular, LLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, Notice of Ex Parte, WC Docket 10-90 *et al.*, dated June 11, 2012; Letter from Monica S. Desai, Counsel, Windy City Cellular, LLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, Submission of Supplemental Information, WC Docket 10-90 *et al.*, dated July 13, 2012.

<sup>6</sup> See *In the Matter of Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Order, DA 12-923 (rel. June 12, 2012).

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**2. Additional information regarding the increase in AEE's costs and the change in line counts between 2005 and today.**

As Ms. Weaver explained during the conference call, AEE's costs were lower in 2005 relative to its costs today because in 2005, AEE had just formed and was not fully staffed. At that time, the company consisted only of Mr. Mayes, Ms. Weaver, and an outside technician working under contract. There were no other payroll costs, and the company did not incur costs for employee health benefits.

In contrast, in 2012, AEE's costs now reflect the reality of operating a company that provides service and maintains facilities on a remote island with severe weather conditions. AEE has incurred the related costs for a fully staffed, fully operational company, including employee health benefits, payroll costs for employees handling customer service, accounting, IT, human resources, infrastructure, maintenance, and the myriad other types of costs related to running a company, as reflected in the financial information provided. With the help of RUS loans, AEE has expended these resources to single-handedly build a fiber network and maintain infrastructure in order to reach every home and business on Adak Island.

AEE also notes that it must continually overcome challenges not faced by companies operating in less remote areas, including a short annual construction season. As a result of the extreme weather in Adak, AEE is only able to perform construction and maintenance projects from May through September each year. For the past two years, Adak did not receive any barge shipments, forcing AEE to receive all of its supplies by airfreight. Such shipments significantly increase AEE's costs, especially when transporting reels of cable weighing over 500 pounds each. Even when a barge is able to bring supplies to Adak, it comes only once or twice at best during the months between May and September, forcing AEE to incur additional costs to pay for storage until all of the needed supplies are collected in Seattle. If, at that point, the barge is unable to make the trip to Adak, AEE must pay for its supplies to be stored in Seattle until the next year. Additionally, receiving shipments via the barge increases AEE's insurance liability.

With respect to line counts, AEE had approximately 200 lines in 2005. The line counts naturally change as the population in Adak fluctuates (for example, when Boeing closed, line counts went down; when the fish plant closed, line counts went down to 150 lines). AEE expects its line count to increase again as a result of Icicle Seafoods, Inc. beginning operations in Adak in January 2012. It is important to keep in mind that infrastructure and maintenance costs remain the same even when the line counts go down. Per the request of WCB staff, detailed AEE line count fluctuation information for the years 2010 and 2011 is provided at Attachment 3.



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3. **The names, positions, responsibilities and compensation for the 10 highest paid employees for AEE and its affiliates for the years 2009 – 2011, and the justification of why each employee is necessary.**

AEE needs to create this information for FCC staff. The names of the 10 highest paid employees, as well as additional employee information requested by WCB staff for the years 2009-2011, will be provided. Certain detailed information regarding staff, including positions and compensation, was provided for the year 2011 in Exhibit 4 of AEE's Petition.

The payroll salaries listed for the positions reflect the only form of compensation received by each employee, with two exceptions. AEE provides the cell phone service used by Mr. Mayes. AEE provides an additional employee benefits to technicians living on Adak Island in the form of basic wireless and local phone service, and IPTV and broadband. These services include only the most basic level of local service, and if the technicians wish to upgrade to include additional services such as voicemail, caller ID, or long distance, they must pay the difference in cost. There are no shares, dividends, or other forms of cash compensation received by any employees.

4. **Additional information regarding any benefits extended from the bank to Mr. Mayes or Ms. Weaver as a result of their ownership of L&A Property, LLC.**

The bank has not extended any benefits to Mr. Mayes or Ms. Weaver as a result of their ownership of L&A Property, LLC. For example, there is no line of credit. If Mr. Mayes and Ms. Weaver were to sell the building leased by AEE to another entity or to AEE, any capital gains would be paid out to both Mr. Mayes and Ms. Weaver and taxed accordingly. If any loss occurred, both Mr. Mayes and Ms. Weaver would lose the earnest money established with the purchase of the building. Currently, the building has not risen in value since it was purchased in 2007. And there is no profit associated with the lease payment, which is exactly equal to the mortgage and principle, and has not changed since 2007.

It is also important to note that AEE did not have any credit established when the company needed a space to run its operations. Ms. Weaver and Mr. Mayes used personal funds to purchase the building (Ms. Weaver took money from her 401(k) plan and Mr. Mayes refinanced his home).

5. **Additional information justifying the number of employees needed to support AEE's operations relative to its subscriber lines.**



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Because AEE and WCC share the same staff, the employees listed in Exhibit 4 of AEE's Petition have duties and responsibilities for both companies. Before AEE's support was cut, the company employed a staff of 17 employees. However, AEE has been forced to lay off 5 individuals as a direct result of the FCC's reduction in USF support. AEE also terminated one other employee for unrelated reasons, bringing its current number of employees down to 11. Additionally, the Retail Store on Adak Island can no longer support a full-time employee and, as a result, that employee is now working a reduced schedule of only 20 hours per week and has lost her health benefits.

All 17 employees, from the part-time retail clerk to the one mechanic responsible for all equipment and vehicles on the island, are essential to maintain and operate a modern telephone company capable of providing high-quality service to residents in one of the most remote areas in the country. Whenever an employee is laid off, another member of the staff must cover the additional workload.

In Schedule 2 of its Ex Parte Notice filed June 11, 2012, AEE provided additional detailed employee information, including: (1) a chart listing the mean and 90<sup>th</sup> percentile salary levels for positions based on data provided by the NTCA and Alaska Department of Labor; (2) an organizational chart of AEE and WCC employees showing position titles and highlighting employees who had already been laid off as a result of the reduction in funding; and (3) 74 pages of detailed job descriptions reflecting what each employee position entails and how each position is necessary in supporting the companies' operations.

Below is a list of the 17 employee positions necessary for AEE's operations (excluding the President/CEO and Chief Operations Officer).

1) Customer Service Supervisor

Responsibilities include, but are not limited to, overseeing the day-to-day operations and supervision of all areas of the customer service department. Customer service includes CABS, Intercompany Billing, FCC reporting, recordkeeping, billing, and collections. This employee also supervises accounts receivable, promotions of services, employee evaluations, and the AEE website.

2) Customer Service Representative (laid off as a result of the FCC's reduction in USF support)

Responsibilities include, but are not limited to, accurately maintaining all customer accounts for AEE and ensuring that all customer needs are met. This employee



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processes the monthly billing of customer accounts and receives, records, attempts resolution, and dispatches service orders.

3) Customer Service Representative

Responsibilities include, but are not limited to, accurately maintaining all customer accounts for AEE and ensuring that all customer needs are met. This employee processes the monthly billing of customer accounts and receives, records, attempts resolution, and dispatches service orders.

4) Administrative Assistant (laid off as a result of the FCC's reduction in USF support)

Responsibilities include, but are not limited to, front desk duties and organizing day-to-day functions of the executive team's office in order to ensure organizational effectiveness and efficiency. This employee reports to the Chief Operations Officer and performs secretarial and administrative duties.

5) Payroll Clerk / Assistant Manager

Responsibilities include, but are not limited to, managing the bi-weekly disbursement of payroll, auditing W4s, payroll balance sheets, and YTD earnings, and preparing quarterly tax filings.

6) Accounting Manager

Responsibilities include, but are not limited to, providing direction, management, and leadership in the company's accounting practices. The position is responsible for developing and maintaining accounting principles, practices, and procedures to ensure accurate and timely financial statements. This position also must meet deadlines for the preparation of the general ledger, financial reporting, year end audit preparation and the support of budget and forecasting activities.

7) Accountant I (with purchasing duties):

Responsibilities include, but are not limited to, accurately maintaining AEE's accounts and accounting records as assigned by the Accounting Manager. This employee also processes annual 1099 reports, analyzes financial information detailing assets, liabilities, and capital as assigned, advises on Part 32 Accounting Principles and NECA pooling, and audits contracts, orders, and vouchers for correctness.





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8) Accountant II

Responsibilities include, but are not limited to, accurately maintaining AEE's accounts and accounting records as assigned by the Accounting Manager. This employee performs purchasing duties and also prepares entries to general ledger accounts to include proper documentation of business transactions, codes and enters information into AEE's accounting software, maintains vendor folders for all invoices and check copies, and processes quarterly reports.

9) Accountant II (laid off as result of the FCC's reduction in USF support)

Responsibilities include, but are not limited to, accurately maintaining AEE's accounts and accounting records as assigned by the Accounting Manager. This employee performs purchasing duties and also prepares entries to general ledger accounts to include proper documentation of business transactions, codes and enters information into AEE's accounting software, maintains vendor folders for all invoices and check copies, and processes quarterly reports.

10) Combination Technician

Responsibilities include, but are not limited to, assisting with supervising daily activities of personnel and development of plant records system for reference, analysis, and testing of outside plant and central office equipment. This employee also makes frequent site inspections, evaluates plant conditions, and works with the customer service department to ensure the earliest possible service connection to the subscriber.

11) Plant Manager

Responsibilities include, but are not limited to, supervising the plant, plant technicians, and maintenance personnel, monitoring workflow and developing methods and procedures to ensure efficient operation of the department. This employee also coordinates work activity with other departments, evaluates plant conditions, and makes frequent site inspections.

12) Combination Technician (terminated for unrelated reasons)

Responsibilities include, but are not limited to, assisting with supervising daily activities of personnel and development of plant records system for reference, analysis, and testing of outside plant and central office equipment. This employee also makes frequent site inspections, evaluates plant conditions, and works with the customer service department to ensure the earliest possible service connection to the subscriber.



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13) Facilities Maintenance Technician (laid off as a result of the FCC's reduction in USF support)

Responsibilities include, but are not limited to, maintaining AEE's buildings and grounds, including welding, machining, machine and equipment repairs, carpentry, electrical work, plumping and painting.

14) Mechanic:

Responsibilities include, but are not limited to, operating and providing mechanic services to AEE's equipment on Adak Island. This employee also operates all heavy equipment such as cranes, graders, bulldozers, and backhoes, and performs duties such as removing snow and participating in routine maintenance.

15) Network Operations IT

Responsibilities include, but are not limited to, maintaining and managing the administration of AEE's network including all voice, video and data reconfiguration, systems upgrade and redesign. This employee also conducts LAN and WAN networking and IP networking, and implements security and maintenance plans for servers, firewalls, routers and switches.

16) IT Technician:

Responsibilities include, but are not limited to, serving as the primary contact for the internet IT helpdesk, implementing and maintaining LAN/WAN and related equipment, and providing AEE's employees with technical and computer support.

17) Retail Sales Associate:

This position is responsible for operating WCC's Retail Store. She is the only retail clerk on Adak Island and responsibilities include the sale of handsets to customers and providing customer support at the Retail Store.

In addition, AEE was forced to lay off the position of HR director but is not seeking to refill this position.

**6. Additional information regarding the percentage of AEE's corporate operations expenses dedicated to regulated and non-regulated operations.**



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AEE is compiling this information for Commission staff and intends to submit it this week.

**7. Additional information regarding AEE's telephone, postage, and lobbying expenses.**

AEE is compiling this information for Commission staff and intends to submit it this week.

**8. Copies of CPRs for AEE and all affiliates for the last three years and additional information regarding how certain items are used for the provision, maintenance, and upgrading of facilities consistent with the purposes of USF funding.**

Copies of the requested CPRs are provided at Attachment 5, and include detailed information regarding each of the asset purchases. AEE's ETC filings, provided at Attachment 6, further demonstrate the justification for its expenditures.

Additionally, further explanations regarding how the specific items referenced by WCB staff relate to the provisioning, maintenance and upgrading of facilities consistent with the purposes of USF funding are summarized below:

a. \$2.7 million dollars in underground fiber optic cable: This cable is necessary to provide communications to AEE's customers. The costs incurred to install this cable reflect the fact that AEE had to install armored cable to prevent damage from the large rats that are prevalent in Adak and that would otherwise chew through the fiber. AEE also incurred additional costs to dig through frozen, rocky terrain in order to bury the cable in the ground. Because the ground is still saturated with live ammunition, AEE had to receive specific approval from the Navy for routing the fiber, and was not permitted to dig more than 12 inches below the surface.

b. Vehicles and equipment: AEE bought two new Ford pickup trucks in 2006 that were necessary to support AEE's operations. Ms. Weaver and another staff member drove the trucks more than 400 miles to a port so that the vehicles could be transported to Adak by barge. The other four vehicles acquired by AEE were bought used from contractors in Adak. These vehicles include two vans used to splice cable and hold inventory, a flatbed truck used for maintenance and construction, and a 1996 Chevy pickup truck used for maintenance and construction. Given the extreme weather and terrain conditions in Adak, these vehicles are necessary to provide service in rough terrain and a minimal level of redundancy in the event a vehicle breaks down. Prior to 2011, there was no mechanic on the island to repair and maintain vehicles.

c. Alaskan HT Galley boat: This boat was necessary to provide service to the fish plant and to navigate the area under the dock in order to provide fiber to the port.



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Additionally, the boat was purchased for the purpose of planting fiber related to providing service to a planned missile defense system and a floating radome that was to be located off the coast of Adak.

d. Multiple computers: AEE has approximately 11 Dell desktop computers, of which six are located in the Anchorage office and five are located in Adak. Additionally, AEE utilizes approximately four laptop computers. Each of these computers is necessary for AEE's employees to perform their jobs. Initially in 2004, AEE leased its computers from Dell before subsequently purchasing them. Only three of these computers have recently had their hard-drives replaced.

e. Software: AEE utilizes software necessary to support its switch and other operations, including Excel, a pdf program, switch software, and accounting software.

f. Furniture: The furniture purchased by AEE includes chairs, desks, filing cabinets, and other basic furniture in Anchorage and on Adak Island, necessary for the company's employees to perform basic duties and for the company's four-plex.

g. Two office remodels: One remodel was for the purpose of building office work stations for its employees. The second remodel was for the purpose of providing a basic employee break room with a refrigerator. The office work stations and break room include nothing that would not be expected in a standard office setting.

h. Artwork: AEE purchased 15 framed posters with motivational sayings, each costing approximately \$100, plus \$500 for shipping, and a photograph of a Cook Inlet Arm for \$1,351 that came with the conference room, for a total cost of approximately \$3,351.

i. Snow removal equipment: Given that snow can accumulate quickly in Adak, AEE has one truck snow plow that is necessary to plow the entrance to AEE's Adak office and to clear snow in order for technicians to access and maintain AEE's facilities.

j. Two new four-wheelers: As explained briefly during the phone conversation, these four-wheel vehicles are necessary for maintaining AEE's facilities. AEE's staff must use the vehicles to cross areas of terrain in Adak that are not accessible by paved roads.

k. Lawnmower: A lawnmower is needed for AEE to maintain the yard at the small four-unit building where the company houses its technicians and contractors. There is no hotel in Adak, and the units provide the most inexpensive housing option.

l. Concrete saw: As explained briefly on the phone call, the purchase of this saw was necessary because such a saw is not available for lease or rental from any company on Adak Island. AEE requires this type of saw to cut through the concrete roads in Adak and to perform maintenance on concrete buildings.



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**9. Additional information regarding the number of employees working in Adak versus AEE's Anchorage office.**

Five of AEE's employees currently work on Adak Island, including four technicians to maintain the plant and provide customer service, and a part-time employee to service the retail store. Mr. Mayes and Ms. Weaver split their time between Adak and Anchorage. All other employees work in the Anchorage office.

**10. Copies of the lease agreements between AEE and affiliated and non-affiliated companies for the last three years.**

Copies of AEE's lease agreements with non-affiliate and affiliated companies, including L&A Property, LLC and Adak Cablevision, LLC, are attached hereto at Attachment 4.

**11. Additional information regarding AEE's external relations expenses.**

AEE is compiling this information for Commission staff and intends to submit it this week.

**12. Additional information regarding AEE's income tax benefit in 2011.**

AEE is compiling this information for Commission staff and intends to submit it this week.

**13. Additional information regarding AEE's operating loss in 2010.**

AEE is compiling this information for Commission staff and intends to submit it this week.

**14. Copies of AEE's loan documents, including original loan packages, any updates, correspondence with creditors, and finance statements.**

Copies of the requested RUS loan documents are attached hereto at Attachment 2, and additional Wells Fargo loan documents are provided at Attachment 7.

**15. Additional information regarding any projected cost increases greater than 10% for WCC from the end of 2011 through 2016, including costs specifically related to the White Alice cell site.**



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AEE is compiling this information for Commission staff and intends to submit it this week.

**16. Additional information regarding expenses paid by WCC to AEE for each of the past three years.**

AEE is compiling this information for Commission staff and intends to submit it this week.

**17. Additional information regarding WCC's retail store.**

AEE is compiling this information for Commission staff and intends to submit it this week.

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AEE reiterates its request for interim relief by granting a stay related to the cuts that will otherwise take effect on August 31 pursuant to Section 54.302 of the Commission's rules while the Bureaus are evaluating the information newly requested during Friday's phone call. AEE makes this request based on the timing of these new information requests, combined with AEE's and WCC's good faith efforts over the past five months to provide the Commission with timely and full information, the financial strain that has already been put on the companies by the funding cuts that have already taken effect, and, most critically, because AEE will be operating at a loss and in danger of defaulting on its RUS loans if additional funding cuts are allowed to take effect while the Commission evaluates the newly requested information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Monica S. Desai", written over a horizontal line.

Monica S. Desai  
Patton Boggs, LLP  
2550 M Street, NW  
Washington, DC 20037  
(202) 457-7535

*Counsel to Adak Eagle Enterprises, LLC  
and Windy City Cellular, LLC*

cc:

Patrick Halley

Amy Bender

Katie King

**PATTON BOGGS**<sup>LLP</sup>  
ATTORNEYS AT LAW

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Susan Miller  
Soumitra Das  
Gary Michaels  
Mark Rossetti  
Ruth Milkman  
Julie Veach

# **2012 Financial Statements**

## **Attachment 1**



II

II

# **RUS Loan Documents**

## **Attachment 2**

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**REDACTED – FOR PUBLIC INPSECTION**

**Tab A**

**II**

**II**

**REDACTED – FOR PUBLIC INPSECTION**

**Tab B**

**II**

**II**

## **Tab C**



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